

Agenda Item	19
Report No	EDI/31/18

HIGHLAND COUNCIL

Committee: Environment, Development and Infrastructure

Date: 17 May 2018

Report Title: Community Asset Transfer-Annual Review

Report By: Director of Development and Infrastructure

1. Purpose/Executive Summary

- 1.1 This report updates Members on progress in developing our community asset transfer process to support community requests and comply with Community Empowerment legislation. It highlights our experience so far and notes some of the emerging issues within community asset transfer. It updates Members on action being taken to improve our understanding of community use of assets and develop our internal and community facing processes.
- 1.2 The report also asks Members to agree a summary of community asset transfer information which we are required to submit to the Scottish Government annually under the Community Empowerment (Scotland) Act.

2. Recommendations

- 2.1 Members are asked to:
 - i. note and comment on the levels of community interest in taking over assets, the nature of the assets and the basis communities are seeking control of them; and
 - ii. agree the summary of community asset transfer activity information outlined at **appendix 1** to submit to the Scottish Government as our Annual Report on Community Asset Transfer as required under section 3 of the Community Empowerment (Scotland) Act.

3. Community Empowerment Act – Community Asset Transfer

- 3.1 The Community Empowerment (Scotland) Act 2015 seeks to empower communities by giving them control over assets in their communities so that they are enabled to drive change and achieve their goals.
- 3.2 The Act moved asset transfer from a voluntary approach by public bodies to one which introduces a right for community bodies to make requests for ownership, lease, management or use of publicly owned buildings or land whether or not they are available for sale or deemed surplus to requirements by the owning body.
- 3.3 The Act sets out a defined process for community asset transfer, including key timescales and a process for review. The Act requires those public authorities to assess requests transparently against a specified list of criteria, with a strong focus on community benefit, and to agree the request unless there are reasonable grounds for refusal. This shifts the balance of power clearly towards the community body.
- 3.4 A further duty for public bodies contained within the Act is to submit an Annual Report on Community Asset Transfer to the Scottish Government. This report needs to outline:
- how many requests were received;
 - how many requests were agreed or refused;
 - for requests agreed to, whether they resulted in transfer of ownership, lease or conferral of other rights;
 - for appeals relating to requests made to the relevant authority, how many have been allowed, dismissed, or have resulted in any part of the authority's decision being reversed or changed;
 - where decisions made by the authority have been reviewed, how many have been confirmed, modified or substituted by a different decision; and
 - describe anything the relevant authority has done to promote the use of asset transfer requests and support community transfer bodies to make requests.

4. Experience To Date

- 4.1 Part 5 of the Community Empowerment Act (Asset transfer) came into force in January 2017 and so the first annual report encompasses the period January 2017 until 31 March 2018. **Appendix 1** contains the draft annual report for the Government and sets out the requests that have been received over this period. This breaks down the requests received by:
- expression of interest or full asset transfer request;
 - the basis of transfer sought e.g. ownership or lease;
 - for full requests more detail on the community body, the asset and status of the request;
 - the nature of assets that are being requested e.g. current use; and
 - the level of interest in each Council Ward.
- 4.2 It can be seen that communities have been keen to engage with the process with 50 expressions of interest received over the first year. However this has usually been to note interest in an asset rather than submit a full transfer request. Recent contact with groups has suggested that this is to register an interest whilst they are working up proposals including the evidence to support proposals and potential funding streams.
- 4.3 To date, only 19% of the expressions of interest received have progressed to a full

transfer request. Where there has been a full request this has usually been from an established community organisation that has a clear idea of what they want to do and the asset they require to support this or for an asset that they already occupy on a short lease basis.

- 4.4 Most requests have been for assets that are already being put to a 'community' use rather than assets that communities wish to gain access to. There are several that would add to a community group's 'portfolio' in terms of raising an income, expanding their operations or giving them financial stability/resilience.
- 4.5 There is a higher level of interest in community asset transfer in wards that are more rural in their nature which perhaps reflects the larger number of local community organisations operating across rural areas. The majority of requests received have been from 'place-based' organisations.

5. Community Use of Council Assets

- 5.1 In taking a holistic look at how communities can access Council properties, it is apparent that there are a significant number of community groups who currently lease property at nil or nominal cost. These are arrangements that pre-date the Community Empowerment Act (Community Asset Transfer). Initial examination of our property leases suggest there are over **250 properties** currently leased at a substantial discount to community groups.
- 5.2 This is a positive picture of the Council supporting community activity, however, going forward, it would be sensible and equitable to:
- ensure that we have a clear picture of this support;
 - that there is consistency in the arrangements/terms and conditions; and
 - that we and community groups are clear about the benefits that these arrangements bring and they are regularly reviewed against priorities and outcomes to justify reduced terms.

6 Review of the Community Asset Transfer Process

- 6.1 The changes to community asset transfer in terms of how we view, process and evaluate community requests are now quite different to before the Community Empowerment Act. This has necessitated changing the approach to how we deal with requests in terms of:
- Receiving requests
 - Validating them
 - Publicising them
 - Liaising with community bodies
 - Directing them to support
- 6.2 It has been necessary to establish new processes and procedures in place alongside existing service, property and legal arrangements.
- 6.3 When the new arrangements were agreed by Communities and Partnerships Committee in December 2017, it was also agreed that these would be reviewed after a year of operation. It is apparent that if we are to manage community asset transfer efficiently and effectively (both for the Council and communities) then a review of these processes is important.

- 6.4 Staff teams involved in the Community Asset Transfer (CAT) process are currently undertaking a LEAN review. This is working with officers from across the Council that are involved in supporting asset transfer. The focus of this is to ensure that our process is fit for purpose in terms of making the process straightforward and understandable for community bodies and as efficient and effective as possible for the Council.
- 6.5 In addition to the LEAN review, a review of the CAT process is being undertaken with community organisations in order to better understand their experience and where we can improve. There will also be an opportunity to review the current processes with Members and this will begin with a discussion at the Redesign Board on the 15 May.
- 6.6 Over the first year, a number of issues have emerged that require consideration as part of the review. These include:
- how we and partners engage and support community bodies to undertake asset transfer;
 - assisting communities to present asset transfer requests that are complete, with supporting documentation and evidence that allows a robust evaluation of requests to be undertaken;
 - assisting communities to develop a view of future community infrastructure needs that take an holistic view of facilities in communities irrespective of management/ownership arrangements;
 - communities have a clear, well planned approach to sustaining assets under their control;
 - how the costs of transfer are met and by whom - legal and property;
 - how the costs associated with individual properties are captured, and a view formed of the relative cost and value of transfers and future potential savings
 - the relative value of capital receipts versus future savings; and
 - taking a strategic and proactive approach to the Council's property and asset and ensuring transferring assets to communities forms part of this approach e.g. particular property types.
- 6.7 It is intended that the review will report to EDI Committee in August, which will also contain any proposed revisions to the CAT process.

7. Implications

- 7.1 Resource: There is no new or additional funding to support the management of asset transfer requests therefore this must be managed within existing resources. This includes staff time to support and undertake the assessments associated with asset transfer and creating and supporting a review process. It will therefore be important to give careful consideration on how the costs associated with transfer are dealt with. The current LEAN review will ensure that our process for supporting CAT are as efficient and effective as possible.
- 7.2 Legal: The guidance on community asset transfer sets out how the Government intends public bodies to meet the duties contained within the Community Empowerment Act.
- 7.3 Community (Equality, Poverty and Rural): It is likely that more vulnerable communities will require additional support to consider asset transfers. It will be important to signpost groups to organisations who can provide this support.
- 7.4 Climate Change / Carbon Clever None identified at this time.

7.5 Risk: There is a risk that the Council does not comply with the legislation however establishing a robust approach to asset transfer which builds in the legislative requirements should mitigate this risk.

7.6 Gaelic: None

Designation: Director of Development and Infrastructure

Date: 30 April 2018

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Background Papers: Appendix 1 – Community Asset Transfer Annual Review 2017/18

Highland Council Community Asset Transfer

Annual Report for the Scottish Government 2017/18

DRAFT

The Highland Council is committed to supporting a community asset transfer process that supports communities to identify their needs and take control of the assets they feel they require to deliver better outcomes in communities.

We have put in place a clear community asset transfer process that engages with communities and harnesses the expertise of a variety of Council officers and partner agencies to inform our approach and decision-making on asset transfer.

This first Annual Report on Community Asset Transfer covers the period from the introduction of legislation, in January 2017, through to 31 March 2018.

The report outlines:-

- the numbers of requests received
- the level and nature of those requests (full or expression of interest)
- detail of full asset transfer requests received
- status of asset transfer requests
- information on the type of property requested
- the geographical spread of requests across the Highland area.

Highland Council Process

The Council's Community Asset Transfer process was agreed in December 2017.

Details of the process can be found on the Council's website at:

[www.highland.gov.uk/info/198/planning -
long term and area policies/726/community asset transfer/1](http://www.highland.gov.uk/info/198/planning-_long_term_and_area_policies/726/community_asset_transfer/1)

A two stage process was agreed which enables communities to log an expression of interest prior to submitting a full asset transfer request. This supports communities to have a point of contact to support them through the request process, access supporting information they require for their application and signpost them to wider sources of support within the community. A separate process and procedure for any reviews has also been agreed.

A single point of contact has been established for groups to direct enquires, expressions of interest and full asset transfer requests and a map of all Council properties has been established to support groups to identify whether properties they are interested in belong to the organisation or not.

Community Asset Transfer Summary Information

For the period February 2017 to 31 March 2018:

- 50 expressions of interest (EOI) have been received
- 11 full community asset transfer requests (ATR) have been received
- Of the 11 asset transfer requests received:
 - 4 have been agreed
 - 1 has been rejected
 - 5 are under consideration
 - 1 was withdrawn
- For the 1 request refused, a review was initially sought but subsequently withdrawn

Table 1: Status of Requests Received

Feb 17 – May 18		Status Description	
Expressions of interest	50	A simple note of the group, its contact details, the property they are interested in and if they would be seeking ownership or lease	
Full Asset Transfer Requests	11	Formal requests with proposals and supporting documents from community group	
	Assessment Stage	5	Formal requests that have been assessed and are to be considered at EDI; or are currently under assessment
	Transfers agreed	4	Agreed
	Rejections	1	Requests that have been considered and rejected
	Withdrawals	1	Expressions of interest or full requests that have been withdrawn by community groups

Table 2: Requests by Type of Transfer

Feb 17 – May 18	Ownership	Lease	Management	Unsure
EOIs	38	11	0	2
ATRs	6	5	0	0
Total:	44	16	0	0

Table 3: Summary of Requests Received

Community Transfer Body	Asset	Requested Basis	Ward	Status
Staffin Community Trust	Storr Woodland	Ownership	Eilean a'Cheo	Rejected; review withdrawn
Kingussie Tennis Club	Tennis courts and pavilion	Lease	Badenoch and Strathspey	Agreed
Wick MS Centre	Wick MS Centre	Ownership	Wick and East Caithness	Agreed
Youth Highland	Old Post Office, Dingwall	Lease	Dingwall and Seaforth	Invalid CAT – lease agreed
Thurso Heritage Society	Thurso Pavilion	Lease	Thurso and North West Caithness	Agreed
Seaboard Memorial Hall	Balintore Harbour Toilets	Ownership	Tain and Easter Ross	Under assessment to be considered at EDI Aug 2018
Dingwall Players	Ross House	Lease	Dingwall and Seaforth	Withdrew interest in building
Caberfeidh Horizons	Former Area Education Office	Lease	Badenoch and Strathspey	Assessment completed to be considered at EDI May 2018
Highland Third Sector Interface	Former Assessors Office	Ownership	Dingwall and Seaforth	Assessed to be considered at EDI committee May 2018
Strathnaver Museum	Bettyhill Visitor Centre	Ownership	North, West and Central Sutherland	Under assessment to be considered at EDI Committee in Aug 2018
Gairloch Area Development Ltd.	Public toilets	Ownership	Wester Ross, Strathpeffer and Lochalsh	Under assessment to be considered at EDI Committee in Aug 2018

Table 4: Type of Property Requested

Property Type	EOI 17-18	ATR 17-18
Harbour/pier	2	
Car Park	4	
Toilets	3	2
Sports area/ground	4	1
Pavilion	4	2
Building	16	6
Land	4	1
Pond/water	1	

Property Type	EOI 17-18	ATR 17-18
Playpark	1	
Storage Unit	1	
Lighthouse	1	
Church	1	
Cemetery	1	
Yard	1	
Bunker	1	

- Total distinct property types: 15
- Numbers may not match number of EOI/ATR as some requests concern two different types for example: “tennis courts and pavilion”

Table 5: Requests Received by Ward

Ward	EOIs Feb 17 - May 18	ATRs Feb 17 - May 18	TOTAL
North, West and Central Sutherland	3	1	4
Thurso and North West Caithness	6	1	7
Wick and East Caithness	6	1	7
East Sutherland and Edderton	4	0	4
Wester Ross, Strathpeffer and Lochalsh	9	1	10
Dingwall and Seaforth	3	3	6
Tain and Easter Ross	3	1	4
Black Isle	0	0	0
Cromarty Firth	0	0	0
Eilean a'Cheo	2	1	3
Inverness Central	0	0	0
Inverness West	1	0	1
Inverness Ness-side	0	0	0
Inverness Millburn	1	0	1
Aird and Loch Ness	3	0	3
Inverness South	0	0	0
Culloden and Ardersier	0	0	0
Nairn and Cawdor	1	0	1
Caol and Mallaig	0	0	0
Fort William and Ardnamurchan	6	0	6
Badenoch and Strathspey	3	2	5